29 Aug 77

PANAMA

ESCOBAR SPEAKS ON DEFENSE, NEUTRALITY ISSUES

19 Aug Assembly Speech

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[Panamanian negotiator Romulo Escobar Bethancourt's address to the Assembly of Corregimiento Representatives at Justo Arosemena Palace on 19 August 1977 -- excerpts of Panama Radio version of Escobar speech were published on page N 13 of the 22 August DAILY REPORT]

[Text] Those who say that we are not revolutionaries should pick up their knapsacks and their grenades and remove the Gringos from the Canal Zone, Dr Romulo Escobar Bethancourt told the National Assembly of Corregimiento Representatives yesterday.

Escobar responded in this way to some criticism by groups opposed to the negotiations which led to the agreement in principle with the United States for the establishment of a new canal treaty.

The following are Dr Romulo Escobar Bethancourt's statements concerning the discussions during the negotiations with regard to neutrality and the option for the construction of a sea-level canal:

It was stated that in order to negotiate with Panama it was first necessary to establish a neutrality pact and a military pact between the two countries. The military pact had to be concluded before the end of the century so that it could go into effect after 2000. This created a deadlock in the negotiations for some time because Panama opposed the signing of a military pact. And it opposed such a pact because the military pact entailed two things: First, the U.S. military presence in Panama after the expiration of the new treaty; second, as a great power, the United States is often involved in wars in other parts of the world and we did not want a situation in which, on the basis of a military pact, our country's future generations would be required to fight in U.S. wars under the pretext that they were fighting because the war was being waged to defend the Panama Canal. That was a position Panama maintained until the United States stopped insisting on the military pact, and discussions began regarding only the neutrality pact.

With regard to the neutrality pact, the following occurred: The United States asked whether Panama was opposed to having the canal be declared neutral. We said no, that, on the contrary, Panama had always wished to have a neutral Panama Canal. They said they wanted a neutral canal, and we said that we were in complete agreement with them. The difference lay in what they understood neutrality to be and our understanding. They suggested that Panama and the United States declare the canal's neutrality and that the United States guarantee that neutrality. Panama opposed this concept, explaining that we did not want the United States to be a guarantor for the state of Panama under the pretext of neutrality. This led to another discussion that kept the negotiations stalemated until the United States relented in maintaining its position that it should guarantee the neutrality of the canal.

Another proposal they presented was that Panama commit itself to keeping the canal permanently neutral and open. We said that Panama could commit itself to keeping the canal permanently neutral because this is its desire. Panama has no interest in having the Isthmus of Panama become a theater of war because of the Panama Canal. XUERP

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However, there could be no commitment to keeping the canal permanently open for three reasons. We explained that because of natural causes there could be an earthquake, for example, which would close the canal, and Panama could not be obliged to keep it open. We explained that for climatic reasons there could be landslides and the canal would have to be closed to clear them. Third, the canal could turn out to be unprofitable and then Panama could not be obliged to keep open a canal which did not bring in money. They accepted the first two points—the matter of natural causes and climatic causes. But they did not accept the third cause—the lack of profitability. This also halted the negotiations for a long time.

They suggested that if the canal were not profitable, Panama could obtain money from the United States or the other canal users to keep it open. We said that when the treaty expires, we do not want Panama to have either a direct or indirect obligation to turn to the United States or any other country to ask for money to keep the canal open. The two countries remained steadfast in their positions until we reached the following agreement. They said: We cannot present to our Congress an article saying that you can close the canal because it is unprofitable. And we said that we could not present an article which obliged us to keep a cheal permanently open when we did not know if that canal would become unprofitable someday. We agreed to eliminate the article, so that Panama was freed of the obligation of keeping the canal permanently open. The negotiations continued exclusively concerning the problem of neutrality.

The United States then proposed that a neutrality pact should be concluded only between Panama and the United States and no one else, because they did not want the Russians, the Cubans or the Chinese--and I am quoting them--to participate in the neutrality of the Panama Canal. Our position was that neutrality made no sense if it were limited to two countries by means of a pact between the United States and Panama, that we opposed withholding from other countries the right to subscribe to the pact. They changed their position and said, very well, they would accept that only the countries of the American Continent, except Cuba, subscribe to the pact. We said no, that in the event of a war between them and Russia or China, those countries would have no commitment to respect the canal or the Isthmus of Panama if they had not subscribed to the neutrality pact. This again led to lengthy discussions until they finally agreed that all the countries of the world could subscribe to the neutrality pact.

Later, there was a problem as to the place at which the countries of the world would subscribe [to the pact]. We said that it had to be at the United Nations. They replied that they did not like the idea of the United Nations very much because they have many problems with the nonalined countries, the Third World, the Arabs and so forth. They proposed the Organization of American States. We said that we had no objection to having the place be the OAS as long as that organization were simply the depositary of the pact and that the other countries could subscribe to the pact there, but that the OAS would have no role in determining the manner in which the subscription would take place or any say with regard to whether to accept or reject countries which sought to subscribe to the pact. This led to another discussion which results in an agreement to draft a protocol of neutrality—that famous protocol that has been criticized here and there on the grounds that it gives the United States the right to intervene in Panama. Those who are attacking it seem to have read it in a Miami newspaper.



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The protocol is merely a note recording the existence of the neutrality pact, explaining what it consists of and indicating that this or that country subscribes to it. That is the famous protocol. It is the same neutrality pact, but only outlined in a protocol—which is what it is called—and the OAS is its depositary.

The other problem was the preferential passage of U.S. ships through the canal. They said that they were faced with two problems. First, they had to please their Pentagon and had to present them with something they would like so they would support them in this matter of the treaty. Second, they said that since they are leaving after the expiration of the treaty, they should at least have that [preferential treatment] because they had constructed the canal. We told them that we admitted that they had in effect constructed the canal, but that to put down in the neutrality pact that U.S. warships were entitled to preferential transit in relation to other ships violated the neutrality past itself, contradicting the very idea of the past we were negotiating. This was another subject of long debates and thorough analysis. They kept looking into their books, we into ours; they kept quoting their theorists, we kept quoting ours; for this is the way in which these debates are conducted. ( Changing their position, they proposed at least preferential rights when the United States is at war--originally the proposal was during times of peace and then required only that the captain of the ship notify us. We said that in wartime it was even less proper to grant preferential passage because neutraility would be violated. After we had discussed this for a long time, they agreed that U.S. warships could not be granted preferential passage. The two countries then sought a formula other than preferential passage, and we reached the agreement that the warships of the United States, in times of peace and of war, and Panamanian warships -- although we have none, but by the year 2000 we might have some -- have the right to expeditious passage through the canal. The understanding is that they will have the right to a speedy passage -the speediest possible. We agreed with this, because it is to no country's advantage to have the warships of another country spend much time in its territorial waters, so the faster they go through the better.

Another of the points in the neutrality pact which we were, in other words, this is the real picture of what the neutrality pact consists of. [sentence as published] With these statements, we did not agree to have the United States and Panama declare the neutrality of the canal. We said that the declaration of the neutrality of the canal was an act of sovereignty on Panama's part and that it had to be a unilateral declaration. After much discussion, they agreed to have the declaration made solely by Panama; that is, it is Panama which is declaring that the canal is permanently neutral. The following other proposals were made: They proposed that our declaration of the neutrality of the canal state that it was being made so that the Panama Canal would not become a theater of war. We said no, that we were declaring the neutrality of the canal so that neither the Panama Canal nor the Isthmus of Panama would become a theater of war. They wanted to separate the canal from the rest of the isthmus, and we told them that we could not do this, that the canal is a part of our isthmus and that our neutrality made sense only if it applied to the canal and all the rest of our territory. We had nothing to gain if [some enemy] were to refrain from dropping a bomb in the canal and instead were to drop it in Ocu or Santiago, for example. They agreed to a declaration of neutrality in which neither the canal nor any part of the territory of the Isthmus of Panama would be the object of reprisals in any conflict they might have with another power.

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And the other point of the neutrality concept is that it is not a neutrality only for the peaceful passage of U.S. ships, but a neutrality for the peaceful passage of ships of all flags of the world regardless of the country to which it belongs; that is, whether the country is communist, fascist, capitalist or monarchic. It did not matter to us whether or not it was a democratic nation; we only wanted the peaceful transit of all ships of the world. And, lastly, that the pact was being entered into by the two countries and if it is stated there that Pansma declares the neutrality of the canal, as I have already indicated, that Pansma later on enters into a neutrality pact on the basis of that declaration with the United States of America and the two countries commit themselves to maintain such neutrality. [sentence as published] This concept of maintenance was the concept that replaced their original position that they would guarantee neutrality. The maintenance of neutrality is set forth in the pact and the protocol. The other countries adhere to the protocol.

Then followed the discussion, because what I [as published] originally proposed was that the two countries pledge to maintain the neutrality under any circumstances. We said that if the phrase under any circumstances was inserted, we would have to make two important exceptions: First, that always provided the circumstances were not internal in nature because these internal circumstances were problems of our country and of our [National] Guard; and, secondly, we had to point out that it would have to be an attack against Panama or the Panama Canal by third countries. This was the subject of much discussion. They finally decided not to include this phrase in order to avoid having to accept our exceptions. We also pointed out that within the framework of neutrality it had to be clearly established that beginning on 51 December 1999 at 1200 as Edwin [Fabrega] says, or at 2400 midnight as Ahumada says, that beginning on that date there could be no U.S. troops left in Pansma. After much discussion, they told us: Well, we do not like this phrase that there can be no Russians or Cuban troops. Then a proposal was made to change the phrase to make it read that only Panamanian troops would be left after 31 December 1999. with which we fully agreed. They were happy because for some reason they think we are going to call in the Soviets. We are happy because we believe that one of our aspirations is precisely that the only troops here be ours.

So this is the bad part of the neutrality pact. The criticism being made against it—some of which you may have heard or read—by a number of people who like to nitpick is that we are giving the United States the right to intervene in our country after the year 2000. Those people believe that the right to intervene is granted, but nobody grants the big powers the right to intervene. They intervene whereever they damn well please with or without a pact.

When they landed in Santo Domingo they did not have any military pact with Santo Domingo, nor did they have any right to intervene in Santo Domingo. But just the same, they landed there. But there are people here who believe that it is the articles in a code which tell a country whether or not it has the right to intervene. They do not know that it is the bayonets and cannons and the atomic bombs which give a country the right to intervene. A country like the United States can land its troops in Panama whenever it pleases after 2000, with or without a neutrality pact. But it cannot land its troops in Russia, even if Russia told them to do so. This is reality. In other words, with the neutrality pact we are not giving the United States the right to intervene. What we are giving them is an assurance that the canal will remain permanently neutral, that we are not going to close the canal to their ships or those of any other country.

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Why this neutrality pact? Because they think that maybe in the year 2000 this country will become socialist and will turn into their enemy, and they feel it is better to make sure right now that even if our country becomes socialist, it cannot prevent them from using the canal. To be even more frank, they do not need that neutrality pact to tell them whether or not they may intervene. They need it to show to their Congress so they can tell their Congress: Look, we are turning the canal over to those Panamanians, but we will still have the right to watch over them so they behave. That is the truth. It is a question of their internal policy. They are solving an internal problem regarding a Congress that is largely opposed to these negotiations and which even has members who have not been elected by the imerican people but who have, of their own free will, turned into members of the U.S. Congress. They are Panamanians who live here and in Miami.

So, this is the true content of the neutrality treaty, Honorable Representatives. Much thought was devoted to this topic because of all the reasons I have been explaining to you, because of the way it developed until this wording was reached. By the way, we are very proud of its final wording. You should have seen the original they submitted together with the military treaty. That would have indeed been shameful. I would not have dared sit at this table now and give any type of explanation to you if I had had to appear here with the military treaty and the neutrality treaty they originally submitted to us.

The other problem we discussed was that of the option for the construction of a sea-level canal. Two months ago, almost simultaneously with the inauguration of the Alaskan pipeline, President Carter delivered a speech during which he said that his government was deeply interested in building a sea-level canal either through Panama or at some point in Central America. In the wake of the speech, the U.S. negotiators raised the topic of the option at the negotiating table. During the previous negotiations, those of 1966 and 1968, this problem was the subject of much discussion by the negotiators at that time. Dr Diogenes de la Rosa and others. At that time, they were preparing studies-in effect they did prepare them. and they were stepping up plans for the possible construction of such a canal. But during these negotiations it seems that they had discarded the issue until President Carter's speech and the issue of Alaskan oil came up.

And that is how the discussion of the option began. We discussed this about two times and nothing came of it. Then came the Bogota conference.

That is where the problem of the option really reached a crisis. It reached a crisis because there a very complete proposal among all of the presidents Carter and through negotiators Linowitz and Bunker, and through our Foreign Minister Gonzalez Revilla and our negotiators. [sentence as published; They [presumably the U.S. negotiators] proposed to us that Panama grant an option to build a sea-level canal without setting a date. They submitted this proposal in Bogota; we read it to the presidents; it was the proposal that the negotiators had brought and we read it to them, and the negotiations between the two countries were virtually broken.

The general said during his speech that we had gone to the conference in Bogota to celebrate a new treaty and that it had turned out that we had gone to a wake. There the struggle between the two countries began. Bogota was between the two, because the other presidents became involved as if they were Panamanians also.

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There was no way to reach an agreement on their proposal. The Panamanian representatives submitted a draft proposal that seemed fine to everyone.

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The text read more or less like this:

Article 3. The possibility of constructing a third set of locks or a sea-level canal.

1. The Republic of Panama and the United States agree that a sea-level canal may be important for international relations [as published] in the future.

Consequently, after approving the sea-level canal, they will agree on its construction. There is not even an option. That option [as published] is to study, to sit down with the United States to study if the matter is feasible. If it is, the two countries will construct it. If in 10 or 15 years. [sentence as published] The future generations will be much more prepared. We have not given you a copy of the treaty because we are waiting for the announcement by President Carter and General Torrijos. Then, it will become an official document. We will publish it completely when it is and we will publicly discuss it.

Those who are going to have a problem are those who cannot prove that this treaty is better than the 1903 treaty; that perpetuity is better; that 2 million balboas are better than the current proposal.

We do not care if they say that General Torrijos is a dictator; those who are opposed and say that we are not revolutionaries, let them pick up their knapsack and their grenade and let their actions speak.

Dr Escobar expressed praise and confidence in General Torrijos! work. He said that we will bury the enemies in a mountain of votes in the forthcoming plebiscite by approving the treaty.

## Expounds on Neutrality

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[Statement by Panamanian treaty negotiator Romulo Escobar Bethancourt at meeting between President Demetrio Lakas, Vice President Gerardo Gonzalez and representatives of civic, labor and peasant organizations at Justo Arosemena Palace in Panama city--live]

[Excerpts] Good afternoon, I am Luis Pimentel, national director of the junior chamber of Panama and secretary of the association of real estate brokers and promoters.

I want to ask a few questions and make a few comments regarding the treaties. Regarding the neutrality issue, I also want to state that the negotiators, quite intentionally, have skirted the issue and at no time have said that there is a word around somewhere that says permanent. The neutrality of the canal will be defended, yes—and it is very nice to say this—by Panama and the United States, by Panamanian and American forces. What they do not say is that the United States will be our ally in this defense, permanently. In a treaty being negotiated by sovereign nations we could have said that the canal will be jointly defended over a 5-year period, renewable if both parties concur. I think that this is what a sovereign nation would have done. Therefore, they have imposed their permanence on us here.